

Springerville Town Council
Minutes
May 13, 2010
4:00 p.m.

Council Present: Mary Nedrow Mayor, Bill Lucas Vice Mayor, Dan Muth, Ron Thebeau and Phelps Wilkins

Staff: Steve West Town Manager, Val Cordova Town Clerk, Department Heads Mike Nuttall, Karen Asquith, Linda Matthews and Max Sadler Fire Chief.

Public: Eric Baca and Susie Silva

Mayor Nedrow called the meeting to order at 4:00 p.m.

Public Participation: None

Town Manager West said they received a cover sheet with information they received with the preliminary budget which they would like to field questions and answer any questions the council may have. He reminded the council that they will be discussion a tentative budget. He advised the council that this is a very tight budget and will remain this way for a few years.

Councilman Lucas had concerns that they didn't have numbers for the senior center and could be a budget buster.

Karen explained that there are some allocated figures but the transfers from the general fund to the senior center are now \$45,000 this year instead of \$88,000 and with some revamping of her department this transfer has been cut in half.

Sharon explained that the pending contract from Head Start will subsidize all the programs. The primary reason they've been in trouble this past two years is because they didn't have the contract.

Councilman Muth noted the transfers from the general government fund to the water is down 42,000 and sewer \$110,000 and asked if these transfers were realistic. He expressed his concern with the cost for the lift station.

He was advised that this was going to be done with a non-matching grant.

Karen said the sewer budget is down \$119,000 from last year and the water \$185,000 stating this is why this is a preliminary. She noted they always do the operating funds first, and then she layers in the grants so they will know what is being done through grant funding. We'll only be doing grants that have no match as there is no money for match.

Mr. West said they may be seeing a some of this in the reallocation of man power.

Eric Baca stated concern that we would only be looking at grants with no match but was assured that this was temporary.

Councilman Lucas asked if it was possible to have a one line summary sheet for each department's expenditures. He was advised they would have this for the next meeting. He then questioned the contingency fund.

Manager West explained the money in this account is plugged into this account in case there is something we missed we would have it to move around.

Councilman Lucas asked if the \$140,000 capital for the school upgrade had already been procured and questioned why we thought the fuel sales would be dropping by about \$50,000.

Karen explained that last year it was broken down in the budget as one line item but this year it's been budgeted as two line items.

Susie Silva asked about the police budget asking the Chief if he was okay with that much of a cut in his budget. Mike answered he was. She further asked if the police department should be working on stopping people who live here with out of state plates to increase our vehicle license tax.

Mike answered this is hard to enforce because a lot of people just have a post office box here and transient workers don't have to change their plates.

Councilman Thebeau asked about the transfer to the airport for \$68,000 grant match Manager West explained we predict this is the amount of money the Town has to match and this is the runway overlay. After this the council will see this number dwindle down.

He then asked about the fees to the League of Cities & Towns and asked if there reason and what do we get for our money? He said that Capital News has readily available resources for \$100.00. He didn't feel that the League demographically fits here.

Manager West explained that the League does our legislative support, municipal budget, elections, legal advice, policies, standard municipal tax code and our state shared revenues are funneled through them.

Councilman Wilkins stated that in his opinion someone has to stand up to the Legislature and speak on behalf of Cities & Towns. The League lobbies for us and they try to keep the Legislature from cutting our funding and they are the only strong voice we have against the State Legislature and well worth the \$3,000 annual fee.

Eric Baca questioned why the airport budget doubled excluding the \$68,000 for the match.

Manager West said this is the peak of the airport buildup he brought to the council two years ago. The grants are currently in process and after about two years this will come down again. It's maintenance in process.

Councilman Thebeau asked about the \$81,000 on the airport budget.

Karen explained this is a balancing item. We are still trying to figure the even flow of the budget and this is a place holder for the modifications to the budget over the next couple of months which has to be there if she has to modify the budget. She said these are projections based on the month of May.

Councilman Muth asked about the transfers from the general fund in the amounts of \$920, 956, \$976,977.

Karen explained that these are payments for services, to water, sewer for services provided by public works based on an hourly rate.

Councilman Muth asked when funds are transferred from the general fund for operations; it's considered a subsidy, why can't the airport repay that subsidy back to the general fund? Karen answered they could if there was a health fund balance. He was asked to stop and talk to Karen so she could explain this process.

Eric Baca questioned what the \$110,000 transfer to the sewer fund covered and questioned what the \$40,000 in sewer system maintenance rehab.

Ms. Asquith explained it's not targeted money but it's intended to support the operations of the fund. He asked if we had some type of plan in place to begin replacing sewer lines.

Manager West explained that money is put aside for necessary maintenance repairs.

Ms. Asquith explained that we have a capital improvement plans for the Town however we're in stressed economic times but the goal is different each year. We have to budget what we think we can afford.

Councilman Lucas said he hates to think that we will only respond to things if they fail and instead what we're doing is anticipating because of age and usage around town but understands that capital projects may be moved out each year because of lack of funding. As information for the council they should have a preventative maintenance plan that's been prioritized with the understanding that it may not occur because of funding so you move it back so you're not always catching surprises but anticipating them.

Manager West agreed noting that unfortunately we don't always get to follow those plans because of revenues. We have a 5 year plan in place but we can't always follow it.

Councilman Muth agreed saying we need to establish a plan to make the fees come online by 1) pursue mandatory sewer hookups 2) fees for call outs for sewer. Getting fees more in line with costs of doing business.

Manager West advised the council that there several things we have found such as sales tax on rentals. By statute every rental should be paying sales tax.

Councilman Thebeau stated there is more room in our operations to trim fat like the raise the rank & file received a few years ago. We can't keep slapping the citizenry and growing government at the same time.

Eric again said we need to find ways to make revenue instead of just saying let's just raise the sewer rates.

Manager West agreed we put up with status quo but nothing is better than having a short budget and people coming up with ideas of where we're hemorrhaging money. He agreed that with Councilman Muth that we should mandate sewer hookups when we already have the infrastructure in place.

Councilman Thebeau reiterated that we're not going to solve the hemorrhaging problem on the backs of rate payers or traffic offenders. You need to start trimming from the top down instead of trimming from the bottom up. You can't have growth in areas and trim budgets.

Councilman Muth asked if salaries were down because of furloughs and adjustment in hours.

Manager West answered it was.

Councilman Muth clarified some of his statements about fees not being commiserate with the level of service but agreed with Councilman Thebeau that they can't just hit the public with this. We just need to get really creative. We have a situation with sewer hookups and asked how they can overcome this.

Mayor Nedrow asked if it was possible to mandate sewer hookups and asked if there was some type of incentive to get people to hook up to the sewer.

Councilman Thebeau agreed there should be an incentive.

Town Manager West thanked the council and told them they were thinking in the right direction. We have a lot of money tied up in lines that we don't have hook ups for. We have tried several incentives to get people to hook up. We have a couple of people that have hooked up and we spread their payments over a certain amount of time.

Mayor Nedrow said she was in favor of mandates but asked they remember those that can't afford the hookup.

Sharon Pinckard suggested using the next round of CDBG for sewer hookups.

Manager West said if the council was open to making this mandatory we're open to using CDBG for the purpose of sewer hookups but people have to qualify. He advised the council that Springerville East has over 60% of residents that aren't hooked up to the sewer when the lines have been there for a long time.

Councilman Muth asked if it was possible to get an estimated projection or calculation based on 40% of the total water billing rounded up to see what the number would be to see if this would be worth the effort.

Eric Baca thanked staff for putting together this information and having a good discussion.

Dan Muth/Ron Thebeau motion to adjourn the meeting at 5:33 p.m.

Vote:	Ayes:	Mary Nedrow
		Bill Lucas
		Dan Muth
		Ron Thebeau
		Phelps Wilkins

Mary Nedrow, Mayor

ATTEST:

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a special work session on Thursday. I further certify that the meeting was duly called and a quorum was present.

Dated this 26th day of May, 2010.

Town Clerk

